

## HOUSE BILL NO. 75

INTRODUCED BY R. BUZZAS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A COUNTY, CONSOLIDATED GOVERNMENT, CITY, OR TOWN WITH A RIGHT OF FIRST REFUSAL FOR THE PURCHASE OF A PRIVATELY OWNED WATER SUPPLY SYSTEM; DEFINING TERMS; AMENDING SECTION 7-13-4403, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Private water supply system -- local government right of first refusal upon sale.** (1) A privately owned water supply system is subject to a right of first refusal if the water supply system is offered for sale. The right of first refusal may be exercised by a county, consolidated government, city, or town.

(2) As used in subsection (1):

(a) "right of first refusal" means the right to have the first opportunity to purchase the property for not less than fair market value when the property becomes available or the right to meet any other offer; and

(b) "water supply system" means a system for the provision to the public of water for human consumption, through pipes or other constructed conveyances, if that system has at least 15 service connections or regularly serves at least 25 individuals. The term includes any collection, treatment, storage, and distribution facilities under control of an operator of a system that are used primarily in connection with a system and any collection or pretreatment storage facilities not under control of an operator that are used primarily in connection with a system.

**Section 2.** Section 7-13-4403, MCA, is amended to read:

**"7-13-4403. Acquisition of private water supply system.** (1) ~~It is provided that whenever~~ If a franchise has been granted to or a contract has been made with any person or persons, corporation, or corporations other entity and ~~such the person or persons, corporation, or corporations, in pursuance thereof or otherwise, have~~ entity has established or maintained a ~~system of water supply~~ system or ~~have valuable~~ has water rights or a supply of water desired by the city or town for supplying the city or town with water, the city or town granting ~~such~~

1 ~~the franchise, or entering in such into the contract, or desiring such the~~ water supply shall, by the passage of an  
2 ordinance, give notice to ~~such the person or persons, corporation, or corporations entity~~ that it desires to  
3 purchase the plant, water rights, and ~~franchise and~~ water supply of ~~such the person or persons, corporation, or~~  
4 ~~corporations entity~~.

5 (2) ~~The Subject to [section 1], the city or town shall have the right to so~~ may purchase the plant, or water  
6 rights, and water supply upon such terms as that are agreed upon by the parties agree."

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8 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an  
9 integral part of Title 7, chapter 8, part 1, and the provisions of Title 7, chapter 8, part 1, apply to [section 1].

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11 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2005.

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